

# RECAPTURE OF IDAHO INVESTMENT TAX CREDIT

Name(s) as shown on return	Social Security Number or EIN
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**PART I -- IDENTIFY PROPERTY THAT CEASED TO QUALIFY AS IDAHO INVESTMENT TAX CREDIT PROPERTY**

Properties	Property Description
A	
B	
C	
D	
E	

**PART II -- ORIGINAL IDAHO INVESTMENT TAX CREDIT**

	Properties				
	A	B	C	D	E
1. Date property was placed in service .....					
2. Cost or other basis .....					
3. Credit percentage .....	3%	3%	3%	3%	3%
4. Original credit. Multiply line 2 by line 3 .....					
5. Date property ceased to qualify .....					
6. Number of full years between the date on line 1 and the date on line 5 .....					

**PART III -- COMPUTATION OF RECAPTURE TAX**

7. Recapture percentage from table, page 2 .....					
8. Tentative recapture tax. Multiply line 4 by line 7 .....					
9. Add line 8, columns A through E .....					
10. Pass-through share of credit recapture from S corporations, partnerships, estates or trusts .....					
11. Add lines 9 and 10 .....					
12. Credit recapture distributed to shareholders, partners or beneficiaries .....					
13. Enter the portion of original credit on line 4 not used to offset any tax. Do not enter more than line 11. Any unused credit on this line cannot be used as a carryover .....					
14. Add lines 12 and 13 .....					
15. Recapture of investment tax credit. Subtract line 14 from line 11. Enter here and on Form 44, Part II, line 1. Do not use this amount to reduce current year's investment tax credit computed on Form 49 .....					

# Instructions for Idaho Form 49R

## GENERAL INSTRUCTIONS

Use Form 49R to compute the increase in tax for the recapture of investment tax credit. You must recompute the credit if you earned it in an earlier year, but disposed of the property before the end of the five-year recapture period. You must also recompute the credit on any property ceasing to qualify as investment tax credit property. Property moved from Idaho ceases to qualify as investment tax credit property and is subject to recapture.

Recapture may be necessary under the following situations:

- An S corporation shareholder's interest is reduced by a sale, redemption or other disposition of the shareholder's stock, or by the corporation's issuance of more shares.
- A partner's proportionate interest in the general profits of the partnership (or in a particular item of property) is reduced.
- A trust's, estate's or beneficiary's proportionate interest in the income of the trust or estate is reduced.

S corporations, partnerships, estates and trusts that pass through investment tax credit to the shareholders, partners or beneficiaries must provide schedules detailing the recapture information required to compute the recapture on their income tax returns.

Any resulting tax from recapture of credits claimed in prior years must be added to the tax otherwise determined in the year of recapture.

## SPECIFIC INSTRUCTIONS

Instructions are for lines not fully explained on the form.

### PART I

Lines A through E. Describe the property for which you must recompute the investment tax credit. Fill in lines 1 through 8 in Parts II and III for each property on which you are recomputing the credit. Use a separate column for each item. Use an additional Form 49R, or other schedule with all the information shown on Form 49R, if you have Idaho investment tax credit recapture on more than five items.

### PART II

S corporations, partnerships, estates and trusts that have property subject to recapture must complete lines 1 through 9 to determine the amount of credit recapture. A copy of this form and a schedule detailing each shareholder's, partner's, or beneficiary's pass-through share of the recapture amount must be attached to the business's income tax return and to each Schedule K-1.

Partners, shareholders and beneficiaries will use the information provided by the partnership, S corporation, trust or estate to report their pass-through share of the credit to be recaptured on line 10.

**Line 1.** Enter the month, day, and year that the property was first available for service.

**Line 2.** Enter the cost or other basis of the property used to compute the original investment tax credit.

**Line 4.** Multiply line 2 by line 3 to compute the credit originally earned for each property listed.

**Line 5.** Enter the month, day, and year the property ceased to qualify as investment tax credit property.

**Line 6.** Do not enter partial years. If the property was held less than 12 months, enter zero.

### PART III

**Line 7.** Enter the appropriate recapture percentage from the following table.

If the number of full years on Form 49R, line 6 is...	Then the recapture percentage is...
0	100
1	80
2	60
3	40
4	20
5 or more	0

**Line 9.** Add all amounts on line 8. If you have used more than one Form 49R or separate sheets to list additional items on which you computed an increase in tax, write to the left of the entry space "Tax from attached" and the total tax from the separate sheets. Include the amount in the total for line 9.

**Line 10.** Enter the amount of recapture of investment tax credit that is being passed to you from S corporations, partnerships, estates and trusts. Attach a copy of the schedule provided to you.

If recapture is necessary due to a reduction of a shareholder's proportionate stock interest in an S corporation, reduction in the interest in the general profits of a partnership, or reduction in the proportionate interest in the income of the trust or estate, include that recapture on line 10 as well.

**Line 11.** Add lines 9 and 10 to determine the amount of credit subject to recapture.

**Line 12.** If you are a partnership, S corporation, trust or estate, enter the amount of credit recapture that passed through to partners, shareholders, or beneficiaries. Do not include any recapture on this line for partners, shareholders, or beneficiaries for whom you are paying the tax.

**Line 13.** If you did not use all the credit you originally computed either in the year earned or in a carryover year, you will not have to pay tax from recapture of the amount of the credit you did not use.

Compute the unused portion of the original credit on a separate sheet and enter it on this line. Do not enter more than the tax from recapture on line 11.

**Line 15.** This is the total increase in tax. Enter it on this line and on Form 44, Part II, line 1. DO NOT use this amount to reduce your current year's investment tax credit from Form 49.